

Appendix 1

Time began: 6:00pm

Time ended: 7.30pm

COUNCIL CABINET 12 June 2019

Present	Councillor Poulter (Chair) Councillors Barker, M Holmes, Roulstone, Smale and Wood
In attendance	Councillors Anderson, Eldret and Skelton Carole Mills – Chief Executive Don McLure – Strategic Director of Corporate Resources Andy Smith – Strategic Director of People Emily Feenan – Interim Director of Legal, Procurement and Democratic Services Catherine Williams – Head of Regeneration and Major Projects Mike Brown – Arts Development Officer Heather Greenan – Director of Performance and Insight Richard Roper – Building Engineering Manager Jayne Sowerby Warrington – Head of Strategic Asset Management and Estates Abdul Siddiqi– Youth Mayor Gagandeep Kaur – Deputy Youth Mayor

This record of decisions was published on 14 June 2019. The key decisions set out in this record will come into force and may be implemented on the expiry of five clear days unless a key decision is called in.

01/19 Apologies

Apologies for absence were received from Councillors Webb and Williams.

02/19 Late Items

The Chair referred to two addenda in relation to item 15 Compliance with Contract Procedure Rules.

03/19 Receipt of Petitions

There were no petitions

04/19 Identification of Urgent Items to which Call In will not apply

There were no items.

05/19 Declarations of Interest

There were no declarations of interest.

06/19 Minutes of the Meeting Held on 10 April 2019

The minutes of the meeting held on 10 April 2019 were agreed as a correct record.

Matters Referred

07/19 Recommendations from the Executive Scrutiny Board

The Council Cabinet considered a report on Recommendations from the Executive Scrutiny Board. The Executive Scrutiny Board met and discussed items contained within the Council Cabinet Agenda. The report enabled the views and recommendations resulting from these discussions to be formally shared with Council Cabinet. These were submitted to Council Cabinet as Appendix 1, prior to commencement of the meeting.

Decision

To receive the report and consider the recommendations alongside the relevant report.

08/09 Recommendation from Children and Young People Scrutiny Board

The Council Cabinet considered a recommendation from the Children and Young People Scrutiny Board on the Integrated Disabled Children's Service. The Board recommended Council Cabinet to pause the current proposal on SEND and re think the process by which spend is being brought down in relation to the pressures on the high needs block and out of area placements overspend.

Decision

To reject the recommendation from the Children and Young People Board to pause the current proposal on SEND.

09/19 Recommendation from Planning Control Committee

The Council Cabinet considered a recommendation from the Planning Control Committee on the Heritage Conservation Work priorities 2019/20. The Committee recommended that Council Cabinet reconsider the staffing levels of the Conservation Service, during the review of finances on the forthcoming year.

Decision

To accept the recommendation from the Planning Control Committee to consider the staffing levels of the Conservation Service during the review of the Medium Term Financial Plan.

Key Decisions

10/19 Consultation on School Term and Holiday Dates 2020 - 2025

The Council Cabinet considered a report which set out proposed school term and holiday dates from 2020 – 2025. Schools used this as the basis for setting their closure dates for staff training and holidays. The aim was to secure reasonable consistency in particular for families who have connections with different schools.

The Executive Scrutiny Board noted the report.

Options considered

The Local Authority considered other options but chose to consult on two sets of proposed dates as the most sensible option, one of which mirrored Derbyshire County Council.

Decision

1. To approve the school term and holiday dates for the academic years 2020-21, 2021-22, 2022-23, 2023-24 and 2024-25 (set out in appendix 2 of the report).
2. To authorise circulation of the proposed dates.

Reasons

1. Officers had consulted widely with school staff, governors, parents and neighbouring authorities about the proposed dates.
2. The dates set out in appendix 2 of the report reflected that consultation and complied with statutory requirements.

11/19 Property Design and Maintenance Capital Programme

The Council Cabinet considered a report which stated that the Property Improvements Capital Programme for 2019/20 with a total budget of £16.014 million was approved by Council Cabinet on 13 February 2019 as part of the Medium Term Financial Plan 2019/20 – 2022/23.

This report sought approval for changes to the capital budgets for ongoing Essential Maintenance and Property Refurbishment schemes included within the overall Property Improvements Capital Programme for the financial year 2019/2020.

The Executive Scrutiny Board recommended Council Cabinet to

- **seek clarification on £16m budget and whether it should include Moorways Swimming Pool?**
- **if there was additional funding in the Property Improvement budget, given the query on £7m funding for Moorways, then £1.6m should be used on Peartree Library roof repairs.**
- **to ensure that all boiler replacements be specifically justified in the light of the Council's commitment to the climate emergency and that we would expect alternatives such as air sourced heat pumps to be available as a preferred option.**

Options considered

The development of the Property Improvements Capital Programme had involved consideration of various options for the inclusion of projects. The programme recommended was considered to be the best way to meet statutory obligations and ensure building compliance, whilst ensuring the outcomes of Property Rationalisation project were embedded.

Decision

1. To approve the reallocation and changes to the Property Improvement Capital Programme for the financial year of 2019/2020 as set out in Paragraph 4.4 of the report.
2. **To note that the budget did include 16m relating to Moorways Swimming Pool and there was not any additional funding available for the Peartree Library roof repairs.**
3. **In respect of recommendation 3 from the Executive Scrutiny Board this was already being undertaken.**

Reasons

Approval to the Property Improvements Capital Programme would ensure an alignment with the Corporate Asset Management Plan, ensuring that investment was directed to the Council's retained assets contributing towards a fit for purpose, efficient property estate.

12/19 Contracting Arrangements for Residential and Foster Placements for Children in Care

The Council Cabinet considered a report which gave an update on the Council's commissioning and procurement approach for sourcing external fostering and residential home placements for children and young people.

External placements were currently sourced through the East Midlands Regional Children's Framework (EMRCF), which had been in place in its current format since 1 February 2016 and expires on 31 January 2020.

A review found that due to a rise in demand for external placements both locally and regionally, the current arrangements were not best placed to enable the Council to meet the increasing challenges of securing sufficient local placements to meet the needs of our children and young people, and more local, collaborative arrangements would be more effective.

Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council (D2N2) agreed to work collaboratively to commission a new suite of contracts to meet the requirements for local placements for our Children in Care, led by Nottinghamshire County Council. The report requested approval to proceed with a procurement process to establish a new collaborative arrangement with neighbouring Local Authorities for Children in Care placements.

The Executive Scrutiny Board noted the report.

Options considered

1. Following the expiry of the existing EMRCF, to re-establish a regional procurement model. This was not possible as the current regional procurement arrangements were being disbanded in favour of local arrangements. Re-establishment would require the agreement of all parties and would not provide the most benefits for Derby.
2. Derby to commission the services solely based on its own requirements. This would require significant investment in commissioning resource with less influence and without the benefits of economies of scale and best practise that arise from collaborative arrangements.

Decision

1. To approve Derby City Council entering into a collaborative arrangement with Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council's, forming a 'D2N2 sub-regional' contracting arrangement for sourcing placements for children and young people, including the establishment of any Inter-Authority agreement as required.

2. To approve Derby City Council jointly procuring a suite of frameworks or other appropriate contracting routes for external placements, including for Fostering placements and Residential Homes, with Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council.
3. To delegate authority to the Strategic Director for People Service, following consultation with the Strategic Director of Resources and Cabinet Member for Children and Young People, to approve the Council entering into such contractual arrangements as are necessary to give effect to the award as stated above.

Reasons

1. A smaller, collaborative arrangement would support the ability of Derby City Council to develop services that were more local, which was a key factor in ensuring best value for money and sufficiency of local placements.
2. The joint procurement would allow access to the wider market, learning and best practise, sharing of resource and enable undertaking of larger procurements required to meet the needs of our Children in Care.

Budget and Policy Framework

13/19 Final Accounts – 2018/19 – Outturn Report for General Fund, Capital Programme, Treasury Management, Housing Revenue Account, Dedicated Schools Grant and Collection Fund

The Council Cabinet considered a report which summarised the overall Council's final outturn position, subject to external audit opinion, for the 2018/19 financial year. It described the main variances against the Revised Budget for 2018/19 and set out a number of issues requiring approval. In summary the year outturn was as follows:

Revenue Budget

The General Fund revenue outturn position was a balanced position when compared to the Revenue Budget for 2018/19. The balanced position was achieved after use of reserves of £5.434m, as detailed in section 4.1 of the report.

98.3% of the Council's £9.104m savings target for 2018/19 had been delivered as planned. The remaining 1.7% had been mitigated through 'one-off' savings contained within the outturn.

Capital Budget

The capital programme outlined the delivery of 84.72% of the latest approved £87.513m capital programme. Details of the capital outturn for 2018/19 totalling £74.138m for work completed and an analysis of the £13.375m slippage against the final approved capital programme was set out in paragraph 4.48 of the report.

Treasury Management

The treasury management section at paragraph 4.94 of the report reviewed how the Council conducted its borrowing and investments during 2018/19 and reports on the prudential indicator activity for 2018/19 which we were required to report under the Local Government Act 2003.

The Report included

- A summary of the financial markets 2018/19
- Treasury Management investment activity 2018/19
- Treasury Management borrowing activity and position 2018/19
- Prudential Code Indicators, limits and compliance.

Housing Revenue Account (HRA)

The HRA revenue outturn position showed a net surplus of £0.262m compared to a budgeted net shortfall of £1.895m, there was therefore a favourable variance of £2.157m for the year. The surplus increased overall HRA balances to £54.583m at 31 March 2019, as detailed in section 4.127 of the report.

Dedicated Schools Grant

The Dedicated Schools Grant closed with a deficit of £2.769m on the central non-delegated items and individual school balances were £8.4m compared to £10.788m at 31 March 2018 as detailed in section 4.131 of the report.

Collection Fund

The Council's share of the Collection Fund outturn was a deficit of £6.389m as detailed in section 4.132 of the report.

General Fund

During the year the Council managed and controlled spending on services through its General Fund. A summary of the net cost of running each main service area was set out in the report.

The Executive Scrutiny Board recommended Council Cabinet

- **To conduct a review across all base budgets across directorates to ensure that the correct allocation had been made so there was no risk of overspend in 2019/20 and future years, and specifically revise the budget for Children's Services so there was enough money in base budget to ensure there was no overspend this year.**
- **To amend the wording of paragraph 1.2 of the report in order to be open and transparent. The wording should state that the overall budget for 18/19 had been overspent by £5.4 before the use of reserves.**
- **To amend recommendation 2.1 to read ' to note the overall General Fund revenue budget outturn position for 2018/19 (subject to external**

audit) “which shows an overspend of £5.4m” and budget variances at 31 March as set out in section 4.1 of the report.’

Decision

1. To note the overall General Fund revenue budget outturn position for 2018/19 (subject to external audit) and budget variances at 31 March 2019 as set out in section 4.1 of the report.
2. To approve final required movements in reserves set out in section 4.3, 4.4 and 4.41 of the report.
3. To approve service carry forward requests as set out in section 4.5 of the report.
4. To approve the transfer of reserves as set out in section 4.7 of the report to achieve a balanced out-turn position.
5. To note the savings achieved in 2018/19 as summarised in section 4.8 of the report.
6. To note the Capital outturn and the Capital expenditure incurred during the year as summarised in section 4.53 of the report.
7. To approve the addition of the £9.316m slippage to the 2019/20 capital programme as detailed in Appendix 3 of the report.
8. To approve the additional Capital spend backed by funding outlined in section 4.55 of the report of £0.565m.
9. To approve the net underspends within the Highways and Transport 2018/19 capital programme be added back into the 2019/20 programme for future use on the A52 scheme, as detailed in section 4.54 of the report.
10. To approve the reduction in budget for the city centre accelerated development scheme in order for the funding to be switched to revenue to pay for abortive costs as detailed in section 4.84 of the report.
11. To approve the Annual Report in respect of Treasury Management activity for 2018/19 outlined in section 4.94 of the report.
12. To note the compliant prudential indicators in respect of the Treasury Management outturn, outlined in section 4.96 of the report.
13. To approve the HRA outturn net surplus of £0.262m as set out in section 4.127 and Appendix 5 of the report.
14. To note the overall Dedicated Schools Budget position for 2018/19 as set out in section 4.131 of the report.

15. To note the Council's share of the Collection Fund was a deficit of £6.389m as set out in section 4.132 of the report.
16. To approve the 2018/19 Private Finance Initiative Reserve movements as set out in Appendix 4 of the report.
17. To authorise the Section 151 Officer to adjust the Council's Reserves in the event that the Council or its External Auditors (Ernst Young) require any adjustments to the Final Accounts for 2018/19 that alter the overall Council's position.
18. **To note that recommendation 1 from the Executive Scrutiny Board was already being undertaken.**
19. **To reject recommendations 2 and 3 from the Executive Scrutiny Board.**

14/19 Council Plan 2019 - 2023

The Council Cabinet considered a report which stated that the Council Plan (the Plan) was the Council's highest level strategic planning document. It set out a vision of how we want the Council and the City to be, and how we would get there. It provided the framework of overarching priorities for planning and delivery at all levels of the organisation, and informed decision making and resource prioritisation through our Medium Term Financial Plan (MTFP). The Plan drives what we focus on and was an important element in raising the profile of the City, and defining the role of the Council as a leader and convenor of partnerships to achieve the vision.

The Executive Scrutiny Board recommended

- **That the report goes to Council before consideration at Council Cabinet.**
- **There should be an additional set of "blue diamond" priorities that talks about closing the gender pay gap in Derby.**

Decision

1. To recommend Council to approve the Council Plan 2019 – 2023.
2. To note that the Delivery Plan for 2019 – 2020, which flowed from the Council Plan, would be presented to a future meeting of Council Cabinet.
3. To delegate authority to the Leader of the Council and Chief Executive to keep the Plan up to date.
4. **To note the recommendation from the Executive Scrutiny Board to request the Council Plan be considered by Council.**

5. **To include the second recommendation from Executive Scrutiny Board in the delivery plan for the Council Plan.**

Contract and Financial Procedure Matters

15/19 Compliance with Contract and Financial procedure Rules

The Council Cabinet considered a report which dealt with the following items which required reporting to and approval by Council Cabinet under the Contract and Financial Procedure rules.

- i. To approve the transfer of a £0.400m income budget from Communities and Place to Corporate Resources directorates for forecasted Scape dividend.
- ii. To approve grant funding from Public Health England for £0.249m and approve the addition to the Housing General Fund capital programme to support alcohol treatment.
- iii. To approve the award of a grant of £0.060m to the University of Derby.
- iv. To approve match funding for the 'Mainframe' and 'Way2Work' projects.
- v. To approve two grant awards, one to Wyndham Primary School and one to Chellaston Academy.
- vi. To approve entering into a Partnership Agreement with Derbyshire County Council and the Office of Police and Crime Commissioner, to jointly procure a service for children and young people at risk of sexual exploitation and other forms of exploitation and approve a contribution of up to £0.070m per annum for up to 5 years.
- vii. To approve funding of £1.009m from the Delivering Differently reserve for change and project management resource to support the delivery of the 'Team Derby' Plan.
- viii. To approve the waiver to award the Riverlights – 'Muck-shift' contract to NMCN Plc.
- ix. To consider the procurement process and to enter into a Partnership Agreement to establish a compliant framework of Counsels' Chambers for childcare litigation for up to five years.
- x. To approve delegation of final decision making and contract awards in relation to the Counsels' Chambers framework to the Strategic Director of People Services, following consultation with the Cabinet member for Children and Young People and the partnership authorities, for up to a maximum period of five years.
- xi. To inform Council Cabinet of the High Streets Heritage Action Zones scheme that had recently been promoted by Historic England and to seek approval to submit an Expression of Interest by 12 July 2019.

The Executive Scrutiny Board recommended in respect of item vii that

- **a briefing/report be provided on the last 2 years work.**
- **if approved, regular quarterly update reports as to how the work is progressing should be provided to the Board.**

- **to ensure a programme which includes work to develop community awareness and involvement to determine council services to our community.**

Decision

1. To approve the transfer of a £0.400m income budget from the Regeneration service within the Communities and Place directorate to the Corporate Resources directorate for forecasted Scape dividend, as detailed in section 4.1 of the report.
2. To approve grant funding from Public Health England for £0.249m and approve the addition to the Housing General Fund capital programme to support alcohol treatment, as detailed in section 4.5 of the report.
3. To approve the award of a grant of £0.060m to the University of Derby to be funded from the D2 Business Rates retention programme grant award, as detailed in section 4.8 of the report.
4. To approve match funding for the Mainframe and Way2Work projects to the value of £0.250m over the period 2019/20 to 2021/22 from the Business Rates Pilot Reserve, as detailed in section 4.12 of the report.
5. To approve a grant award to Wyndham Primary School for £0.037m and a grant award to Chellaston Academy for £0.037m to lead the city wide school improvement partnership work for the academic year 2019 – 2020, as detailed in section 4.18 of the report.
6. To approve entering into a Partnership Agreement with Derbyshire County Council and the Office of Police and Crime Commissioner, to jointly procure a service for children and young people at risk of sexual exploitation and other forms of exploitation, as detailed in section 4.21 of the report.
7. To approve a Derby City Council contribution of up to £0.070m per annum into the Partnership for up to 5 years, as detailed in section 4.21 of the report.
8. To approve funding for change and project management resource of £1.009m over two years from the Delivering Differently reserve to underpin delivery of the Team Derby Plan, as detailed in section 4.25 of the report.
9. To approve the waiver to award £0.281m for the Riverlights Muck- shift contract to MNCN Plc to progress the delivery of Project Munio in the most cost efficient way, as detailed in section 4.28 of the report.
10. To approve being party to a procurement process with Derbyshire County Council (lead), Nottingham City Council and Nottinghamshire County Council that would provide a compliant framework of Counsels' Chambers who would be able to undertake a broad spectrum of childcare litigation on behalf of

those authorities, as outlined in paragraphs 4.1 – 4.4 of the addendum report 'A', for a period of up to five years.

11. To approve entering into a partnership agreement with Derbyshire County Council (lead), Nottingham City Council and Nottinghamshire County Council to finalise this procurement process and delegate the final decision making and contract awards in relation to the framework, to the Strategic Director of People Services following consultation with the Cabinet Member for Children and Young People and the Partnership Authorities, as outlined in paragraphs 4.1 – 4.4 of the addendum report 'A', for a period of up to five years.
12. To delegate authority to the Strategic Director of Communities and Place following consultation with the Strategic Director of Corporate Resources, Cabinet Members for Regeneration and Public Protection and Finance and Procurement for the agreement of and submission of the final High Streets' Heritage Action Zone Expression of Interest (EOI) as detailed in section 4.21 of the addendum report 'B'.
13. **To accept the recommendations 1 and 2 from the Executive Scrutiny Board, but the updates to Executive Scrutiny Board be when appropriate rather than quarterly.**
14. **To include regular progress reports in the Executive Scrutiny Board Performance Plan and ensure the programme is communicated effectively to the community to show how it adds value.**

Performance

16/19 Performance Monitoring 2018/19 – Quarter Four Results and Council Delivery Plan

The Council Cabinet considered a report which summarised progress in delivering the Council Plan 2016-2019, and included highlights from the key performance measures within the Council Scorecard.

75% of actions within the Council Delivery Plan 2018/19 had been completed or were on track, in line with the set milestones, as at 31 March 2019. A summary of progress against all commitments was set out in Appendix 1 of the report.

At the end of quarter four (Q4) (to 31 March 2019), we had delivered against 61% of all our Business Plan measure targets, with 43% of priority measures in the Council Scorecard having met or exceeded their year-end target (in some cases this was based on provisional data). Performance had improved in 2018/19 across 49% of our priority measures, when compared with performance in 2017/18. This was better than the position of 33% reported at the end of last year (March 2018).

Results were RAG-rated using traffic light criteria, according to their performance v improvement targets. The Council Scorecard was at Appendix 2 of the report. Accountable colleagues had provided commentary to place performance in context

and identify actions underway to address poor performance (see Appendix 3 of the report).

There had been considerable improvement activity throughout 2018/19 as part of the Executive Scrutiny Performance Forward Plan (Appendix 4 of the report). We held three Performance Surgeries focussed on key challenges in children's services and sickness absence.

Performance against the outcomes in the Council Plan would be published in the Annual Report in August 2019 following approval by Council Cabinet, Executive Scrutiny Board and Audit and Accounts Committee.

The Executive Scrutiny Board noted the report.

Decision

1. To note the 2018/19 year end performance for the Council Delivery Plan and Scorecard.
2. To note the indicators highlighted in the Improvement Report at Appendix 3 of the report.
3. To note that the Annual Report 2018/19 would be presented to Council Cabinet in August 2019.

MINUTES END